



Emles Advisors LLC

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FORM ADV PART 2A

Brochure prepared as of May 10, 2021

This brochure provides information about the qualifications and business practices of Emles Advisors LLC (“Emles”). If you have any questions about the contents of this brochure, please contact us at (833) 673-2661. The information in this brochure has not been approved or verified by the United States Securities Exchange Commission or by any state securities authority.

Emles is a registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Emles is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes. Generally, Emles will notify clients of material changes on an annual basis; however, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly.

Material Change:

Item 5 has been updated to include a fee schedule and a description of how we are compensated as the Adviser to Registered Funds and Private Funds.

Emles Venture Partners LLC and Hammond Beverage Group LLC, both affiliates of Emles, were added to Item 10: Other Financial Industry Activities and Affiliations.

Item 12 has been updated to reflect that Emles does not have any relationships in place where it receives products or services through soft dollars.

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Item 4: Advisory Business

Emles Advisors LLC (“Emles” or “Adviser”) was founded in 2019 by Gabriel Hammond, who serves as the Chief Executive Officer. Emles is a Delaware limited liability company and has been an investment advisor registered with the U.S. Securities and Exchange Commission (“SEC”) since July 23, 2020.

About Us

Emles is an asset manager putting in the work to help solve for some of the world’s toughest financial problems, such as low return expectations, absence of yield and elevated correlations. We believe investors need differentiated options for their portfolios – and there’s an entire world full of untapped investment strategies that haven’t been explored. At Emles, we explore, create and earn investment opportunities few will identify or execute. The result is a unique, innovative product line that seeks to push the industry, and your financial goals, forward. We conduct intense research across global markets and asset classes to secure differentiated and attractive investment opportunities for our Clients. For each of these opportunities we structure the most appropriate investment vehicle to maximize investor access, liquidity and transparency.

At Emles, we consistently aim to partner alongside investors such that our collective interests are aligned, and we succeed together.

Description of Services

Emles provides investment management services to Clients through privately offered investment vehicles (“Private Funds”) and investment companies registered (“Registered Funds”) under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Emles serves as the adviser to the Private Funds and Registered Funds (which may be referred to herein either separately or collectively as the “Client”). Each investment service or strategy offered by Emles is defined by its own portfolio construction parameters and investment guidelines. These guidelines are described in various marketing and other materials provided to Clients, as well as in direct discussions with Clients. Each investment advisory contract between Emles and a Client details the manner in which we are required to manage that Client’s portfolio, including the selected strategy, legal and regulatory restrictions, and Client-specific guidelines and restrictions.

Private Funds are only offered via “private offering” and are intended only for investment by investors who meet the qualifications pursuant to the applicable Private Fund exemptions and rules as defined under the U.S. Federal securities laws. The investment guidelines for each such Client are defined in the investment management agreement, organizational documents, or other governing documents relating to each Client and are tailored to the specific goals, objectives and operating guidelines of each Client.

Emles is also responsible for the creation and implementation of the strategic investment strategies and decisions for the Clients. Emles is motivated to deliver products designed to democratize assets classes for investors of all types. The foundation of Emles’ approach to investing is to employ ingenuity and use thoughtful research to create and provide investors with unique, differentiated investment strategies that will enhance their investment portfolios. Once established, Emles provides Clients with portfolio management services and/or certain portfolio or other operational support.

Further, certain Registered Funds (generally, ETFs) are self-indexing and track an underlying index that is created by Emles Indexing LLC, an affiliate of Emles.

The Adviser does not currently participate as a manager in wrap fee programs, though it may do so in the future.

As of December 31, 2020, Emles manages \$69,154,152 in regulatory assets under management on a discretionary basis; as of this date, Emles did not manage assets on a non-discretionary basis.

Emles is a wholly owned subsidiary of Yleana HoldCo LLC, which is a wholly owned subsidiary of Yleana Management LLC.

Item 5: Fees and Compensation

Emles' fees generally depend on the services being provided. For investment management services, fees typically are expressed as a percentage of assets under management. Fee arrangements vary by Client, and are based on a number of different factors, including investment mandate, services performed, and account/relationship size. To the extent permitted under the Investment Advisers Act of 1940 or applicable provisions of the Investment Company Act in the case of Registered Funds advised by Emles, Emles can negotiate and charge performance-based fees, as well as asset-based fees. In addition, fees and allocations are often fixed, fixed plus performance, or performance only. Certain fixed fees are required to be paid up front.

The following set forth a basic description of certain advisory fee arrangements; however, fees and other compensation are negotiated in certain circumstances and arrangements with particular Clients vary.

Registered Funds – Each registered investment company for which Emles serves as the adviser discloses the applicable investment advisory fees in its prospectus, and, in some cases, fee waivers may be in effect.

Each Registered Fund pays Emles as the Adviser an annual unitary management fee based on the Fund's average daily net assets. Out of the unitary management fee, the Adviser pays certain expenses of the Fund, including the costs of transfer agency, custody, fund administration, legal, audit and other services, except for advisory fees, distribution fees, if any, brokerage expenses, taxes, interest, litigation expenses and other extraordinary expenses (including Acquired Fund Fees and Expenses, if any). Investors purchasing or selling shares of the Fund in the secondary market may be subject to costs (including customary brokerage commissions) charged by their broker.

Registered Fund	Unitary Management Fee
Emles Made in America ETF	0.49%
Emles Luxury Goods ETF	0.60%
Emles Federal Contractors ETF	0.60%
Emles Protective Allocation ETF	0.55%
Emles Real Estate Credit ETF	0.48%
Emles @Home ETF	0.48%

Private Funds – With respect to unregistered investment vehicles managed by Emles, the applicable fees and expenses are set forth in the Private Fund's investment management agreement, subscription agreement and/or other similar governing documents. In certain cases, Emles manages, or in the future may manage, a separate account or other Private Fund with an investment mandate similar to certain Private Fund, in which case the fees charged to such an account (including performance-based fees) are not necessarily identical to those of the similar Private Fund. The management fees, depending on the Fund, range from 0.0% to 2.0% per annum.

The timing of fee payments, mutually agreed upon with each Client, is generally set forth in the applicable investment management agreement or other similar governing documents (such as, the offering memorandum), as applicable.

Asset fees are generally paid monthly, quarterly or semi-annually, and are generally calculated on the value of the account's net or managed assets or, in the case of certain closed-end Private Funds, committed capital, invested capital, net asset value or the balance of the primary loan to the vehicle. In addition, in certain situations involving due diligence support provided to investment management Clients of Emles on a non-discretionary basis, Clients are charged flat fees depending on the scope of work. Fees can be paid in advance or after incurred.

Emles or an affiliate receives a performance-based fees equal to 0.0% to 20% per year of the net profits at the end of each fiscal year. Performance-based fees or other performance-based compensation generally will be based on specific yield or total return benchmarks, or periodic or cumulative performance "hurdles" or an appropriate index and generally are payable to Emles or an affiliate of Emles either:

- on a quarterly or annual basis
- in the case of certain funds that invest primarily in other affiliated or unaffiliated investment vehicles at the time of withdrawal or redemption with respect to the amount withdrawn
- as redeemed or as investments are realized and/or capital is distributed

Certain Private Funds charge performance-based fees or allocations based on the relevant net profits without regard to any index or performance hurdle. In some cases, these arrangements are subject to a cumulative high water mark or other provision intended to assure that prior losses are recouped before giving effect to any performance-based fees or allocations. Clawback or deferral provisions also apply to performance-based fees paid with respect to certain Private Funds and separate accounts.

In addition to the fees above, certain Clients bear other costs associated with investments or accounts including but not limited to:

- custodial charges, brokerage fees, commissions and related costs
- interest expenses
- taxes, duties and other governmental charges
- transfer and registration fees or similar expenses
- cost associated with foreign exchange transactions
- other portfolio expenses, including but not limited to index licensing fees
- cost, expenses and fees (including investment advisor and other fees charged by the investment advisors of funds in which the Client invests) associated with products or services that are necessary or incidental to such investments or accounts including, but not limited to custodial, brokerage, futures, banking, consulting or third-party advisory or legal services, relationships depending on credit standing
- administrative services
- certain of the expenses described in the next paragraph for Private Funds if negotiated in any applicable government document.

Private Funds generally bear their own organizational, operating and other expenses including, but not limited the following in addition to the above:

- sales expenses
- legal expenses (which includes expenses incurred in connection with a Private Fund's legal and regulatory compliance with US and non-US laws and regulations, including reporting on and compliance with Form PF) and expenses incurred in connection with complying with provisions in a side letter agreements, including "most favored nations" provisions
- internal and external accounting, audit, custody, administration and tax preparation expenses
- out-of-pocket costs of any legal counsel (including litigation expenses)
- insurance costs, including the cost of any D&O liability or other insurance and indemnification (including advances) or extraordinary expense or liability relating to the affairs of Private Funds
- placement compensation payable to any placement agent (including any out-of-pocket expenses of such placement agent and any indemnification expenses payable to such placement agent)
- expenses of the limited partner advisory boards for certain Private Funds and meetings of the limited partners
- expenses of liquidating and dissolving the Private Funds, including any fees and expenses of the Private Funds' liquidator
- certain travel expenses
- other service provider expenses (e.g., expenses related to directors of a Private Fund)
- all expenses incurred in connection with a Private Fund's business, affairs and operations, including identifying, structuring, managing, evaluating, trading, conducting due diligence on, investing in, acquiring, holding, restructuring, disposition of (including the transfer or sale of), any portfolio investments or prospective investments (whether or not consummated), including "broken-deal expenses," legal, accounting, engineering, consulting, management, non-disclosure agreement service providers, and other professional fees, fees of finders or sourcing partners, and travel and lodging expenses
- all expenses incurred in connection with the securing and servicing of financing, including expenses related to the negotiation and documentation of agreements with one or more lenders or the posting of collateral
- all principal and interest on, and fees, costs and expenses arising out of, all borrowings and guarantees made by, and other indebtedness of, the Private Funds
- all extraordinary expenses or liabilities
- all professional fees incurred in connection with the business or management of the Private Funds, including reasonable dues for professional organizations related to the investment strategy of the Private Funds
- all expenses relating to the potential transfer or actual transfer of investors' interests in the Private Funds (to the extent not paid by the transferor or transferee)
- all expenses relating to any letter agreements, distribution agreements and other similar agreements with investors and prospective investors and modifications and amendments to such agreements
- all expenses incurred in connection with the creation of, and any restructuring or amendments or supplements to, the offering memorandum or the governing documents of the Private Funds or of the general partner and related entities
- all expenses incurred in connection with the formation of alternative investment vehicles and special purpose vehicles and subsidiaries of the Private Funds
- any amounts paid by the Private Funds or alternative investment vehicles for any hedging transactions (including any
- amounts necessary to satisfy margin requirements) or permitted borrowing requirements
- all expenses incurred in connection with multimedia, analytical, database, news or other third-party research services and related terminals for the delivery of such services

- all fees charged by third parties for sourcing and/or managing portfolio investments, including fees paid to administrators of portfolio investments
- all third-party fees and expenses charged to the Private Funds, including in connection with tax and legal advice, custodial services and compliance services
- all fees charged, and reasonable out-of-pocket expenses incurred, by the Private Funds' administrators and custodians
- management fees
- any value added tax payable in respect of any expenses, fees or costs set forth above

Generally, feeder funds bear a pro rata share of the expenses associated with the related master fund. Accounts or Private Funds that invest with an underlying manager or in underlying funds generally bear associated fees (which typically include both asset based and performance based fees) and expenses of such underlying manager and/or underlying funds. Investors and Clients bear the cost of investments in funds, which can be registered investment companies (including ETFs) or Private Funds for which Emles serves as investment advisor ("Affiliated Funds"). Additional information, including fees paid by third parties and other expenses that are charged, can be found in the relevant offering memorandum and/or other governing documents.

Emles may offer certain persons the opportunity to co-invest in particular investments alongside certain of the Private Funds for which it serves as the adviser, subject to certain restrictions. In each case where co-investors participate in an investment, Emles will allocate expenses associated with such investment in accordance with its expense allocation policies and procedures.

Agreements with Emles may be with advance notice, as set forth in the relevant advisory or other similar investment management agreements. In the event such relationship is terminated, unearned fees, if any, beyond agreed-upon minimum fees, paid in advance will be refunded to the Client. To the extent fees have been earned but not yet billed, such fees will be pro-rated and paid by the Client upon termination. In certain cases, e.g., Private Funds, fees continue to be paid after termination of the relationship in accordance with the investment management agreement, offering memorandum and/or other governing documents as applicable.

All employees receive a yearly salary with the potential to receive a bonus. This compensation is not based on sales or other activities, as it is a set amount.

Item 6: Performance-Based Fees and Side-By-Side Management

As discussed in Item 5 ("Fees and Compensation") of this Brochure, fee arrangements vary by Client, and are based on a number of different factors. Where applicable, performance-based fees or other performance-based compensation is generally based on specified yield or total return benchmarks or periodic or cumulative performance "hurdles" or an appropriate index and generally are payable to Emles or an affiliate of Emles: (i) on a quarterly or annual basis; (ii) in the case of certain funds that invest primarily in other affiliated or unaffiliated investment vehicles (each, a "Fund of Funds") and other Private Funds (and similarly managed separate accounts), at the time of withdrawal or redemption with respect to the amount withdrawn; and/or (iii) as redeemed or as investments are realized and/or capital is distributed. In some cases, these arrangements are subject to a high-water mark or other provisions intended to assure that prior losses are recouped before giving effect to any performance-based fees or allocations. Clawback or deferral provisions also apply to performance-based fees paid with respect to certain Private Funds and separate accounts. The timing and amount of performance-based fees or allocations typically are described in the relevant governing documents and/or the offering memorandum, if applicable.

Clients should be aware that when Emles or an affiliate receives performance-based fees or allocations, or Emles personnel have any other financial incentive to achieve gains in excess of the disincentive to suffer losses, Emles and/or such personnel have an incentive to choose investments that are riskier or more speculative than might otherwise be chosen.

In addition, Emles manages different types of accounts having different fee arrangements. Side-by-side management by Emles of registered investment companies and Private Funds raises potential conflicts of interest. Registered investment companies, for example, generally pay management fees based on a fixed percentage of assets under management, whereas other separate accounts and Private Funds have more varied fee structures, including a combination of asset- and performance-based compensation. In certain cases, Emles or its related persons also have a financial interest in a Private Fund (or in a registered investment company, though the extent of its interests are likely to be less than with respect to Private Funds). Emles has incentive to favor certain accounts over others that are less lucrative where: (i) the actions taken on behalf of one account potentially impact other similar or different accounts (e.g., because such accounts have the same or similar investment styles or otherwise compete for investment opportunities, have potentially conflicting investments or investment styles, or have differing abilities to engage in short sales and economically similar transactions); and (ii) Emles and its personnel have differential interests in such accounts (i.e., expose Emles or its related persons to differing potential for gain or loss through differential ownership interests or compensation structures, including circumstances where some accounts pay only asset-based fees while others are subject to performance or incentive fees or allocations). To help mitigate such potential conflicts of interest, Emles' policies and procedures state that investment decisions are to be made in accordance with the fiduciary duties owed to each such account and without consideration of Emles' (or its personnel's) pecuniary, investment or other financial interests.

As a result of certain regulations governing the ability of accounts investing side-by-side, it is possible that different account types are not permitted to participate in an investment opportunity at the same time. The decision as to which accounts participate will take into account the suitability and the strategy of the applicable accounts. It is possible that an account is prevented from participating due to such investment opportunity being more appropriate within the primary strategy or secondary of another account.

Item 7: Types of Clients

Emles' investment management services are offered to investment companies, single-investor funds, discretionary and non-discretionary advisory programs, commingled investment vehicles, other investment advisers, and individuals and institutional investors through separate account management. Emles' Clients include, but are not limited to: financial institutions, registered investment companies, ETFs, business development companies, private investment funds, real estate investment trusts, profit sharing plans, pension funds and other retirement accounts, insurance companies, charitable and endowment organizations, corporations, banks and thrift institutions, estates and trusts, and other institutional type accounts (both taxable and tax-exempt), government agencies, government chartered corporations, quasi- governmental agencies, state and local governments and non-U.S. pension funds, national banks, as well as high net worth and other individuals. Emles can advise both U.S. and non-U.S. Clients subject to applicable law.

Emles may seek to obtain, verify, and record information that identifies each Client and, as applicable, their owners and controllers of investors who retain Emles to manage the account or who invest in a fund managed by Emles, in order to help the U.S. Government fight the funding of terrorism and moneylaundering activities and comply with economic sanctions. Emles will also screen Clients and, as applicable, the owners and controllers of investors who invests in Private Funds, against appropriate sanctions lists, such as those administered by the United States Office of Foreign Assets Control, European Union and United Nations, and any other applicable

regimes to where Emles operates.

Registered Funds – Emles serves as investment advisor to both open and closed-end mutual fund and ETFs, each of which are registered under the Investment Company Act.

Private Funds – Private Funds include, but are not limited to, funds focused on credit, special situations, direct private equity, equity opportunistic or Fund of Funds. Private Funds are organized as domestic or offshore (non-U.S. companies), limited partnerships, limited liability companies, corporate trusts or other legal entities, in order to meet the legal, regulatory and tax demands of investors and as determined to be appropriate by the applicable Emles. As a general matter, each Private Fund is managed in accordance with its investment objectives, strategies and guidelines and is not generally tailored to the individualized needs of any particular investor. In addition, an investment in a Private Fund does not, in and of itself, create an advisory relationship between the Investor and Emles. Therefore, Investors must consider whether the Private Fund meets their investment objectives and risk tolerance prior to investing. Information about each Fund, including its investment risks, can be found in its offering memorandum and/or other governing documents, which will be available to current and prospective Investors. Emles, or an affiliate, generally acts as general partner, managing member or investment manager or otherwise exercises investment discretion with respect to these products in which investors invest. Private Funds that are offered to U.S. Persons, defined under Regulation S of the Securities Act of 1933 (“U.S. Persons”) are typically excepted from the definition of an “investment company” pursuant to Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. Interests in the Private Funds are offered on a private placement basis or under Regulation S of the Securities Act of 1933, as amended (the “Securities Act”). Interests in the 3(c)(1) Funds are offered to persons who are “accredited investors” as defined under the Securities Act, and “qualified Clients” as defined in Rule 205-3 under the Advisers Act (to the extent a performance based fee is charged). Interests in the 3(c)(7) Funds are offered to persons who are both “accredited investors” as defined under the Securities Act and “qualified purchasers” as defined under the Investment Company Act. In some cases, the Private Funds are commodity pools for which Emles is a commodity pool operator that: (i) is exempt from certain reporting, recordkeeping and disclosure requirements pursuant to Rule 4.7 under the CEA; (ii) is a registered commodity pool operator; or (iii) is exempt from registration and related requirements pursuant to CEA Rule 4.13(a)(3), or other provisions under the CEA and the rules of the U.S. Commodities Futures Trading Commission (“CFTC”) thereunder, and in connection with these exemptions, investors are required to meet additional requirements. Additionally, investors in Private Funds are subject to certain other eligibility requirements which are set forth in the offering memorandum and/or other governing documents for each of the Private Funds. Emles personnel (including, but not limited to, Emles’ investment strategy personnel responsible for the management of such Private Funds or other Client accounts) who are qualified purchasers, “knowledgeable employees” (as defined in Rule 3c-5 under the Investment Company Act) or who meet the Private Fund’s eligibility criteria and other applicable regulatory requirements, and certain other eligible personnel of BlackRock are permitted to invest in the Private Funds.

Private Funds that are organized under the laws of jurisdictions outside of the U.S. may be offered outside of the U.S. to U.S. Persons, pursuant to Section 7(d) of the Investment Company Act and the relevant SEC guidance thereunder, such Private Funds can also be offered on a private placement basis to U.S. Persons (typically tax-exempt institutions) that are both “accredited investors” as defined under the Securities Act and for 3(c)(7) Funds “qualified purchasers” as defined under the Investment Company Act.

Certain of the Private Funds operate using “master-feeder” structures, pursuant to which trading operations reside in a “master fund” while Investors access the master fund directly or invest through one or more “feeder funds” that, in turn, invest (directly or indirectly) in the master fund. Private Funds can also use special purpose vehicles

to aggregate investments by Private Funds into certain underlying investments or for structuring purposes, or parallel fund structures that divide investors for tax or other purposes. Emler and its related persons often invest in and/or serve as general partner, or managing member, or on the board of directors or advisory board of a Private Fund. Emler, and its related persons generally act as investment manager or otherwise exercise investment discretion with respect to certain Private Funds and often provide services other than advice (including, but not limited to, administration, organizing and managing the business affairs, executing and reconciling trades, preparing financial statements and providing audit support, preparing tax related schedules or documents, and sales and investor relations support, diligence and valuation services) to such funds, in some cases for a fee separate and apart from the advisory fee. A Private Fund often pays or reimburses Emler for certain organizational and offering expenses and operating expenses related to the Private Fund.

Item 8: Methods of Analysis, Investment Strategies and Risk Loss

In managing discretionary Client accounts and providing recommendations to non-discretionary Clients, Emler utilizes various investment strategies and methods of analysis. It is not possible to identify all of the risks associated with investing and the particular risks applicable to a Client account will depend on the nature of the account, its investment strategy or strategies and the types of securities held.

While Emler seeks to manage accounts so that risks are appropriate to the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients and investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses. Clients and investors should read carefully all applicable informational materials and offering/governing documents, including offering memorandums and prospectuses for further information on the various risks associated with investing, prior to retaining Emler to manage an account or investing in any Emler investment product.

Emler often considers credit ratings when analyzing bonds, notes and other debt-related investments and when evaluating the tenancy of real estate assets and the credit risk of certain real estate-related investments for Client accounts. A credit rating generally reflects an assessment by the rating's provider of the relative credit risk of an investment compared to other investments rated by the provider (please see "Investment Strategy Risks - Credit/Default Risk" below). Credit rating agencies, including nationally recognized statistical rating organizations (each, a "Rating Agency"), may rate specific investments (e.g., bonds), issuers (e.g., corporations, governments and financial institutions) and/or programs (e.g., commercial paper programs). Certain types of investments generally are not rated by Rating Agencies, such as non-US government/sovereign obligations, US agency securities, time deposits at financial institutions, and derivative instruments such as credit default swaps. For those types of investments, as well as U.S. Treasury securities (some of which are not rated), where a Rating Agency has not rated the specific investment but has rated the investment's issuer, program, financial institution or underlying reference asset, Emler typically considers the investment to have the same Rating Agency rating as its issuer, program, financial institution or underlying reference asset, as appropriate. In the case of municipal securities, where one Rating Agency provides multiple ratings for the same security (e.g., "underlying," "insured" and/or "enhanced" ratings), Emler may consider the security to have the highest of the multiple ratings. Certain new issue securities (regardless of type) are not rated by a Rating Agency at the time of their initial offering. Preliminary prospectuses or term sheets for new issue securities often include an expected rating for the security (as determined by the underwriter and/or issuer) or a Rating Agency rating for the issuer of the security. When deciding whether to purchase a new issue security that has not yet been rated by a Rating Agency, Emler typically will attribute an expected rating to the security based on: (i) the expected rating of the security set forth in the preliminary prospectus or term sheet for the security; (ii) the Rating Agency's rating for the issuer of the security set forth in the preliminary prospectus or term sheet for the security; (iii) with respect to asset-backed securities,

the rating of a prior issuance or (iv) other factors. Please see “Investment Strategy Risks – New Issue Securities Risk” below for some of the risks associated with new issue securities. Credit ratings are subject to change and do not reflect all of the risks associated with an investment.

Clients and investors should be aware that while Emles does not limit its advice to particular types of investments, mandates can be limited to certain types of securities or to the recommendation of investment advisers or managed funds and are not always diversified. The accounts managed by Emles are generally not intended to provide a complete investment program for a Client or investor. Clients and investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

Emles utilizes strategies that can be actively managed, or model or index based. Actively managed mandates generally employ an active investment style that emphasizes rotation among different types of instruments on a relative value basis, specific security selection, quantitative analysis of each security and the portfolio as a whole and intensive analysis and review. Model-based institutional strategies typically invest across a broad spectrum of global securities, as well as currencies, futures and swaps. A risk-controlled, systematic process is utilized for model-based portfolio construction and alpha generation. Emles typically invests in accordance with the risk and return profile of a benchmark either by replicating an index or utilizing security level or stratified sampling where an index is disaggregated into smaller cells in an effort to match the risk characteristics of each cell.

For certain Private Investors, Emles creates and maintains generally applicable guidelines ("Model Guidelines") which specify particular securities or guidelines for securities that can be held in an account following the particular strategy. The Model Guidelines will change from time to time at Emles' discretion based on market and other considerations.

In seeking to achieve long-term investment performance consistent with Clients' and other investors' objectives and policies, Emles seeks to establish a continuous and comprehensive understanding of the investment risks in each portfolio, as well as those risks inherent in the market.

Emles provides investment advisory services to investment vehicles and Client accounts (e.g., Registered Funds, other pooled investment vehicles, separate accounts) whose investment objective is to achieve investment results, before fees and expenses, that correspond generally to the total return performance of a particular index ("Underlying Index"). Generally, Underlying Indices are generally developed by index providers that are not affiliated with Emles, but in some circumstances, an affiliate of Emles, is the index provider to Client accounts, including Registered Funds. Emles has established a governance framework designed to prevent the undue influence of Emles in the operation of any index developed by an affiliate. This framework includes information barriers to restrict the sharing of confidential information and a committee that approves index methodology changes and is independent of portfolio management and trading.

Emles does not provide any warranty or guarantee against index providers' errors. Portfolios managed to track an index have passive investment risk since they are not actively managed and do not attempt to take defensive positions in declining markets.

Investment Strategy Risks

Prospective Clients and investors should be aware that no risk management system is fail-safe, and no assurance can be given that risk frameworks employed by Emles' portfolio managers (e.g., stop-win, stop-loss, Sharpe Ratios, loss limits, value-at-risk or any other methodology now known or later developed) will achieve their objectives and prevent or otherwise limit substantial losses. No assurance can be given that the risk management

systems and techniques or pricing models will accurately predict future trading patterns or the manner in which investments are priced in financial markets in the future. Emles investment professionals employ quantitatively-based financial and analytical models to aid in the selection of investments for Clients and to determine the risk profile of Client accounts. The success of an investment program and trading activities depends, in part, on the viability of such analytical models. Additional risks for relevant products are more fully described in such products' offering and/or governing documentation.

Certain risks apply specifically to particular investment strategies or investments in different types of securities or other investments that Clients and investors should be prepared to bear. The risks involved for different Client accounts or funds will vary based on each Client's investment strategy and the type of securities or other investments held in the Client's account or the fund. The following are descriptions of various primary risks related to the investment strategies used by Emles. Not all possible risks are described below. Clients and investors should read carefully all applicable informational materials and offering/governing documents, including offering memorandums and prospectuses for further information on the various risks prior to retaining Emles to manage an account or investing in any Emles investment product.

Asset Allocation Strategy Risk - Asset allocation strategies do not assure profit or diversification and do not protect against loss. There is a risk that the asset allocation may be incorrect in view of actual market conditions. In addition, an asset allocation strategy determination could result in underperformance as compared to other strategies with similar investment objectives and asset allocation strategies.

Asset Class Risk - Securities in a portfolio can underperform in comparison to the general securities markets, a particular securities market, or other asset classes.

Borrowing Risk - Borrowing may exaggerate changes in the net assets and returns of a portfolio. Borrowing will cost the portfolio interest expense and other fees, potentially reducing a portfolio's return. This can at times result in a need for the portfolio to liquidate positions when it may not be advantageous to do so to satisfy its borrowing obligations. Borrowing arrangements can be used to meet short-term investment and liquidity needs or to employ forms of leverage that entails risks, including the potential for higher volatility and greater declines of a portfolio's value, and fluctuations of dividend and other distribution payments.

Commodity Risk - Negative changes in a commodity market could have an adverse impact on the value of commodity-linked investments including companies that are susceptible to fluctuations in commodity markets. The value of commodity-linked investments can be affected by changes in overall market movements, taxation, terrorism, nationalization or expropriation, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as, weather (e.g., drought, flooding), livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The prices of sector commodities (e.g., energy, metals, agriculture and livestock) can fluctuate widely due to factors such as changes in value, supply and demand and governmental regulatory policies.

Competition Risk - There can be no assurance that Emles will be able to locate, consummate and exit investments that satisfy a portfolio's rate of return objectives or that a portfolio will be able to invest fully its assets.

Concentration Risk - Concentrating investments in an issuer or issuers, in a particular country, group of countries, region, market, industry, group of industries, sector or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting that issuer or issuers, particular country, group of countries, region, market, industry, group of industries, sector or asset class than a more diversified mix of

investments.

Controlling Interest Risk - Because of its equity ownership, representation on the board of directors and/or contractual rights, a portfolio may be considered to control or influence the conduct of portfolio companies. Under certain circumstances, such ownership or roles could be used by third parties as the basis for such parties to assert environmental, pension-related, securities law or other claims against such portfolio or its owners or affiliates.

Conversion of Equity Investments Risk - After its purchase, a non-equity investment directly or indirectly held by a portfolio, such as a convertible debt obligation may convert to an equity security (converted investment). Alternatively, a portfolio may directly or indirectly acquire equity securities in connection with a restructuring event related to one or more of its non-equity investments. Challenges in liquidating the converted investment at an advantageous time, would impact the performance of the portfolio.

Counterparty Risk - Transactions, including certain derivative transactions, entered into directly with a counterparty are subject to the risk that the counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of the transaction. A counterparty's bankruptcy or other failure to perform its obligations due to financial difficulties, would result in significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding or no recovery in such circumstances.

Credit/Default Risk - Debt issuers and other counterparties of fixed income securities or instruments in some instances default on their obligation to pay interest, repay principal or make a margin payment, or default on any other obligation. Additionally, the credit quality of securities or instruments could deteriorate (e.g., downgraded by one or more Rating Agencies), which would impair a security's or instruments liquidity and decrease its value.

Currency Risk - Currencies are purchased and sold for portfolios through the use of forward contracts or other instruments. A portfolio that seeks to trade in foreign currencies can have limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and currency convertibility issues. Certain portfolios can hold investments denominated in currencies other than the currency in which the portfolio is denominated. Currency exchange rates can be volatile, particularly during times of political or economic unrest or as a result of actions taken by central banks. A change in the exchange rates has the potential to produce significant losses to a portfolio, particularly if unhedged in whole or in part.

Debt Instruments Risk - Generally investments in debt and credit-related instruments can be secured or unsecured and can be structurally or contractually subordinated to substantial amounts of senior indebtedness. Other factors can materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable portfolio company, government fiscal policy and domestic or worldwide economic conditions.

Derivative Risk - Investments in derivatives, or similar instruments, including but not limited to, options, futures, options on futures, forwards, participatory notes, swaps, structured securities, tender-option bonds and derivatives relating to foreign currency transactions, which can be used to hedge a portfolio's investments or to seek to enhance returns, entail specific risks relating to liquidity, leverage and credit that can reduce returns and/or increase volatility. Losses in a portfolio from investments in derivative instruments can result from the potential illiquidity of the markets for derivative instruments, the failure of the counterparty to fulfill its contractual obligations, the portfolio receiving cash collateral under the transactions and some or all of that collateral being invested in the market, or the risks arising from margin posting requirements and related leverage factors associated with such transactions. In addition, many jurisdictions continue to review practices and regulations

relating to the use of derivatives, or similar instrument. Such reviews could make such instruments more costly, limiting the availability of, or otherwise adversely affecting the value or performance of such instrument.

Developed Countries Risk - Investments in developed countries subject a portfolio to regulatory, political, currency, security, demographic, and economic risk specific to developed countries. Developed countries are impacted by changes to the economic health of certain key trading partners, regulatory burdens, debt burdens, and the price or availability of certain commodities. Developed countries tend to represent a significant portion of the global economy and have generally experienced slower economic growth than some other countries or regions.

Distressed Securities Risk - Investments in companies that are in poor financial condition, lack sufficient capital or are involved in bankruptcy or reorganization proceedings face the unique risks of lack of information with respect to the issuer, the effects of bankruptcy laws and regulations and greater market volatility than is typically found in other securities markets. As a result, investments in securities of distressed companies involve significant risks that could result in a portfolio, incurring losses with respect to such investments.

Emerging Markets Risk - Investments in emerging markets can be subject to a greater risk of loss than investments in more developed markets, as they are more likely to experience inflation risk, political turmoil and rapid changes in economic conditions. Investing in the securities of emerging markets involves certain considerations not typically associated with investing in more developed markets, including but not limited to, the small size of such securities markets and the low volume of trading (possibly resulting in potential lack of liquidity and in price volatility), political risks of emerging markets which can include unstable governments, government intervention in securities or currency markets, nationalization, restrictions on foreign ownership and investment, laws preventing repatriation of assets and legal systems that do not adequately protect property rights. Further, emerging markets can be affected adversely by changes to the economic health of certain key trading partners, such as the U.S., regional and global conflicts and terrorism and war. Emerging markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities.

Equity Securities Risk - Equity securities are subject to changes in value and their values can be more volatile than other asset classes. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and the industry in which the issuer securities are subject to stock risk. Historically, U.S. and non-U.S. stock markets have experienced periods of substantial price volatility and should be expected to do so again in the future.

Fraud - Of paramount concern in originating loans is the possibility of material misrepresentation or omission on the part of a borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the likelihood that a lien on the collateral securing the loans has been properly created and perfected. Under certain circumstances, payments to a portfolio may be reclaimed if any such payment or distribution is later determined to have been made with intent to defraud or prefer creditors.

Fraudulent Conveyance Risk - If a court in a lawsuit brought by an unpaid creditor or representative of creditors of a borrower, such as a trustee in bankruptcy or the borrower as debtor-in-possession, were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by a loan made by a portfolio and the grant of any security interest or other lien securing such investment made by a portfolio, and, after giving effect to the incurring of such indebtedness, the borrower (a) was insolvent; (b) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital;

or (c) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate, in whole or in part, such indebtedness and such security interest or other lien as fraudulent conveyances, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower (including to the relevant portfolio) in satisfaction of such indebtedness or proceeds of such security interest or other lien previously applied in satisfaction of such indebtedness.

Frontier Markets Risk - Investments in frontier markets are subject to a greater risk of loss than investments in more developed and traditional emerging markets. Frontier markets are more likely to experience inflation, currency and liquidity risks, political turmoil and rapid changes in economic conditions than more developed and traditional emerging markets. Frontier markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities.

Hedging Risk - Hedging techniques could involve a variety of derivatives, including futures contracts, exchange-listed and over-the-counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions. A transaction used as a hedge to reduce or eliminate losses associated with a portfolio holding or particular market that a portfolio has exposure, including currency exposure, can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the hedging transaction and its reference portfolio holding or market (correlation risk), and there can be no assurance that a portfolio's hedging transaction will be effective. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge will be greater than gains in the value of the positions of the portfolio. Increased volatility will generally reduce the effectiveness of the portfolio's currency hedging strategy. Hedging techniques involve costs, which could be significant, whether or not the hedging strategy is successful. Hedging transactions, to the extent they are implemented, will not necessarily be completely effective in insulating portfolios from currency or other risks.

Illiquid and Long-Term Investment Risk - Certain portfolios may invest in private debt instruments secured by infrastructure or other assets for which the number of potential purchasers and sellers, if any, is often limited. This factor may have the effect of limiting the availability of these obligations for origination or purchase by a respective portfolio and may also limit the ability of a portfolio to sell such obligations at their fair market value prior to termination of such portfolio or in response to changes in the economy or financial markets. In particular, such investments will be relatively illiquid and there can be no assurance that a portfolio will be able to realize on such investments in a timely manner.

Income Risk - A portfolio's income can decline in some instances when interest rates decrease. During periods of falling interest rates if an issuer is able to repay principal prior to the security's maturity ("prepayment"), the portfolio could be caused to reinvest in securities with a lower yield, resulting in a decline in the portfolio's income.

Index-Related Risk - Index strategies are passively managed and do not attempt to take defensive positions under any market conditions, including declining markets. Index strategies seek to achieve a return that corresponds generally to the price and yield performance, before fees and expenses, of the Underlying Index as published by the Index Provider. There is no assurance that the Index Provider or any agents that may act on its behalf will compile the Underlying Index accurately, or that the Underlying Index will be determined, composed or calculated accurately. While the Index Provider provides descriptions of what the Underlying Index is designed to achieve, neither the Index Provider nor its agents provide any warranty or accept any liability in relation to the quality, accuracy or completeness of the Underlying Index or its related data, and they do not guarantee that the Underlying

Index will be in line with the Index Provider's methodology. Errors in respect of the quality, accuracy and completeness of the data used to compile the Underlying Index may occur from time to time and may not be identified and corrected by the Index Provider for a period of time or at all, particularly where the indices are less commonly used as benchmarks by funds or managers. Such errors may negatively or positively impact a portfolio managed to an index strategy ("index portfolio"). There is no guarantee that an index portfolio will achieve a high degree of correlation to its Underlying Index and therefore achieve its investment objective. Market exposure and regulatory restrictions could have an adverse effect on the index portfolio's ability to adjust its exposure to the required levels in order to track its Underlying Index.

Interest Rate Risk - When interest rates increase, fixed income securities or instruments will generally decline in value. Long-term fixed income securities or instruments will normally have more price volatility because of this risk than short-term fixed income securities or instruments.

Issuer Risk - A portfolio's performance depends on the performance of individual securities to which the portfolio has exposure. Adverse changes to the financial condition or credit rating of an issuer of those securities often cause the value of the securities to decline or become worthless.

Investment Style Risk - Different investment styles tend to shift in and out of favor depending upon market and economic conditions and investor sentiment. Portfolios can outperform or underperform other portfolios that invest in similar asset classes but employ different investment styles.

Leverage Risk - A portfolio utilizing leverage will be subject to heightened risk. Leverage often involves the use of various financial instruments or borrowed capital in an attempt to increase the return on an investment and is often intrinsic to certain derivative instruments. Leverage can take the form of borrowing funds, trading on margin, derivative instruments that are inherently leveraged, including but not limited to, forward contracts, futures contracts, options, swaps (including total return financing swaps and interest rate swaps), repurchase agreements and reverse repurchase agreements, or other forms of direct and indirect borrowings and other instruments and transactions that are inherently leveraged. Any such leverage, including instruments and transactions that are inherently leveraged, can result in the portfolio's market value exposure being in excess of the net asset value of the portfolio. A portfolio could need to liquidate positions when it is not advantageous to do so to satisfy its borrowing obligations. The use of leverage entails risks, including the potential for higher volatility and greater declines of a portfolio's value, and fluctuations of dividend and other distribution payments.

Liquidity Risk - Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market is currently available or may become less liquid in response to market developments). This can reduce a portfolio's returns because the portfolio may be unable to transact at advantageous times or prices. Investments that are illiquid or that trade in lower volumes may be more difficult to value.

Long/Short Strategy Risk - There is no guarantee that returns on a portfolio's long or short positions will produce high, or even positive, returns and the portfolio could lose money if either or both the portfolio's long and short positions produce negative returns.

Management Risk - A portfolio is subject to management risk, which is the risk that the investment process, techniques and analyses applied will not produce the desired results, and those securities or other financial instruments selected for a portfolio will result in returns that are inconsistent with the portfolio's investment objective. Portfolios advised by Emler are subject to threshold limitations on aggregate and/or portfolio-level ownership interests in certain companies and commodities, arising from statutory, regulatory or self-regulatory

organization requirements or company ownership restrictions (e.g., poison pills or other restrictions in organizational documents). In addition, legislative, regulatory, or tax developments affect the investment techniques or opportunities available in connection with managing the portfolio and can also adversely affect the ability of the portfolio to achieve its investment objective (e.g., where aggregate and/or portfolio-level ownership thresholds or limitations must be observed, a portfolio is subject to investment limitations in certain companies arising from statutory, regulatory or self-regulatory organization requirements or company ownership restrictions).

Market Risk - Market risk is the risk that one or more markets in which the portfolio invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. The value of a security or other asset may decline due to changes in general market conditions, economic trends or events that are not specifically related to the issuer of the security or other asset, or factors that affect a particular issuer or issuers, exchange, country, group of countries, region, market, industry, group of industries, sector or asset class. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the portfolio and its investments. Selection risk is the risk that the securities selected will underperform the markets, the relevant indices or the securities selected by other investment managers for other portfolios with similar investment objectives and investment strategies. This means the portfolio may lose money.

Micro-cap Companies Risk - Stock prices of microcap companies are significantly more volatile, and more vulnerable to adverse business and economic developments, than those of larger companies. Microcap stocks are also thinly traded, making it difficult for a portfolio to buy and sell them.

Municipal Securities Risk - Municipal securities can be significantly affected by political or economic changes, as well as uncertainties in the municipal market related to taxation, changes in interest rates, relative lack of information about certain issuers of municipal securities, legislative changes or the rights of municipal security holders. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the inability to collect revenues for the project or from the assets.

New Issue Securities Risk - Investing in new issue securities involves risks that are in addition to those associated with investments which have been trading for an extended period of time because information typically used to evaluate investments often is not available for new issue securities. Subsequent to the purchase of a new issue security by Emls, information about the security or its issuer may become publicly available (e.g., the issuance of a credit rating by a Rating Agency) which could cause Emls to alter its view on the appropriateness of the investment for a portfolio.

Non-Diversification Risk - Non-diversification of investments means a portfolio invests a large percentage of its assets in securities issued by or representing a small number of issuers or exposure types. As a result, a portfolio's performance depends on the performance of a small number of issuers or exposures.

Non-U.S. Securities Risk - Investments in the securities of non-U.S. issuers are subject to the risks associated with non-U.S. markets in which those non-U.S. issuers are organized and operate, including but not limited to, risks related to foreign currency, limited liquidity, less government regulation, privatization, and the possibility of substantial volatility due to adverse political, economic, geographic events, or other developments, differences in accounting, auditing and financial reporting standards, the possibility of repatriation, expropriation or confiscatory taxation, adverse changes in investment or exchange controls or other regulations and potential restrictions on the flow of international capital. These risks are often heightened for investments in smaller capital

markets, emerging markets, developing markets or frontier markets.

Offshore Investor Risk - A portfolio seeking to trade in foreign currencies can have limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and currency convertibility issues. These limitations and restrictions impact the availability, liquidity and pricing of the financial instruments that are necessary for the portfolio to gain exposure to the currency markets, impairing the portfolio's ability to achieve its investment objective.

Operational Risk - Inadequate or failed internal processes, people and systems, or external events can pose a direct or indirect risk when investing. This includes any errors, omissions, systems breakdown, natural disasters, and fraudulent activity, which could cause impact in terms of unavailability of services and potentially resulting in financial losses.

Private Investment Risk - Investments in private investments, including debt or equity investments in operating and holding companies, investment funds, joint ventures, royalty streams, commodities, physical assets, and other similar types of investments can be highly illiquid and long-term. A portfolio's ability to transfer and/or dispose of private investments is expected to be highly restricted. Emles may not be able to obtain material information about the private investment that other investors obtain. Private investments are not subject to the same reporting and disclosure requirements as public companies, which may increase valuation risk for those investments.

Portfolio Turnover Risk - Active and frequent trading of securities and financial instruments in a portfolio can result in increased transaction costs, including potentially substantial brokerage commissions, fees, and other transaction costs. In addition, frequent trading is likely to result in short-term capital gains tax treatment. As a result of portfolio turnover, the performance of a portfolio can be adversely affected.

Quantitative Model Risk - When executing an investment strategy using various proprietary quantitative or investment models, securities or other financial instruments selected can perform differently than expected, or from the market as a whole, as a result of a model's component factors, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction, implementation and maintenance of the models (e.g., data problems, software issues, etc.). There can be no assurance that a model will achieve its objective.

Real Assets Risk - Investments in real assets such as real estate, infrastructure and energy are subject to certain risks, including, but not limited to, the following: (i) construction risks, including labor disputes or work stoppages, shortages of material or interruptions to the availability of necessary equipment; (ii) accidents, adverse weather, force majeure or catastrophic events, such as explosions, fires or terrorist activity; (iii) personal injury or property damage; (iv) failures on the part of third-party managers or sub-contractors appointed in connection with investments or projects to adequately perform their contractual duties or operate in accordance with applicable laws; (v) exposure to stringent and complex foreign, federal, state and local laws, ordinances and regulations, including those related to financial crime, permits, government contracting, conservation, exploration and production, tenancy, occupational health and safety, foreign investment and environmental protection; (vi) environmental hazards, such as natural gas leaks, product and waste spills, pipeline and tank ruptures, and unauthorized discharges of products, wastes and other pollutants; (vii) changes to the supply and demand for properties and/or tenancies or fluctuations in the price of commodities; (viii) the financial resources of tenants; and (ix) contingent liabilities on disposition of assets.

Real Estate Risk - Historically real estate has experienced significant fluctuations and cycles in value and local market conditions which result in reductions in real estate opportunities, value of real property interests and, possibly, the amount of income generated by real property. All real estate-related investments are subject to the risk attributable to, but not limited to: (i) inability to consummate investments on favorable terms; (ii) inability to complete renovation, expansion or development on advantageous terms; (iii) adverse government, environmental and tax regulations; (iv) leasing delays, tenant bankruptcies and low occupancy levels and lease rates; and (v) changes in the liquidity of real estate markets. Real estate investment strategies which employ leverage are subject to risks normally associated with debt financing, including the risk that: (a) cash flow after debt service will be insufficient to accumulate sufficient cash for distributions; (b) existing indebtedness (which is unlikely to be fully amortized at maturity) will not be able to be refinanced; (c) terms of available refinancing will not be as favorable as the terms of existing indebtedness; or that the loan covenants will not be complied with. It is possible that property could be foreclosed upon or otherwise transferred to the mortgagee, with a consequent loss of income and asset value.

Short Selling Risk - Short sales in securities that it does not own exposes a portfolio to speculative exposure risks. If a portfolio makes short sales in securities that increase in value, the portfolio will lose value. Certain securities may not be available or eligible for short sales. Short selling involves the risks of: increased leverage, and its accompanying potential for losses; the potential inability to reacquire a security in a timely manner, or at an acceptable price; the possibility of the lender terminating the loan at any time, forcing the portfolio to close the transaction under unfavorable conditions; the additional costs that may be incurred; and the potential loss of investment flexibility caused by the obligation to provide collateral to the lender and set aside assets to cover the open position. There can be no assurance that a portfolio will be able to close out a short sale position at any particular time or at an acceptable price. Loss on short positions is subject to potential offset by investing short-sale proceeds in other investments.

Small-Cap & Mid-Cap Risk - Compared to large-capitalization companies, small-capitalization and mid-capitalization companies are less stable and more susceptible to adverse developments, and their securities can be more volatile and less liquid.

U.S. Economic Risk - The U.S. is a significant trading partner with other countries. Certain changes in the U.S. economy can have an adverse effect on the economy and markets of other countries.

Underlying Fund Risk - A portfolio investing in funds (underlying funds), includes, but is not limited to the performance of the underlying fund and investment risk of the underlying funds' investment, depending upon whether the underlying funds involve highly speculative investment techniques, including extremely high leverage, highly concentrated portfolios, workouts and startups, control positions and illiquid investments. In particular, the risks for a portfolio operating under a fund of funds structure include, but are not limited to, the following: the performance of the portfolio will depend on the performance of the underlying funds' investments; there can be no assurance that a multi-manager approach will be successful or diversified, or that the collective performance of underlying fund investments will be profitable; one or more underlying funds could be allocated a relatively large percentage of the portfolio's assets; there could be limited information about or influence regarding the activities of the underlying fund's investment advisers and underlying funds, like any other asset, may be subject to trading restrictions or liquidity risk. Portfolio investments in underlying funds will generally be charged the proportionate share of the expenses of investing in the underlying fund(s).

Valuation Risk - The net asset value of a portfolio as of a particular date may be materially greater than or less than its net asset value that would be determined if a portfolio's investments were to be liquidated as of such date. For example, if a portfolio was required to sell a certain asset or all or a substantial portion of its assets on a

particular date, the actual price that a portfolio would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in the net asset value of a portfolio. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the net asset value of a portfolio.

Volatility Risk - The prices of a portfolio's investments can be highly volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the financial condition of the issuers of such assets, changing supply and demand relationships, programs and policies of governments, and national and international political and economic events and policies.

Technology and Cybersecurity Risk - Emles is dependent on the effectiveness of the information and cybersecurity policies, procedures and capabilities it maintains to protect the confidentiality, integrity, and availability of its computer and telecommunications systems and the data that resides on or is transmitted through them. An externally caused information security incident, such as a cyber-attack including a phishing scam, malware, or denial-of-service attack, or an internally caused incident, such as failure to control access to sensitive systems, could materially interrupt business operations or cause disclosure or modification of sensitive or confidential Client or competitive information.

Moreover, Emles' increased use of mobile and cloud technologies could heighten these and other operational risks, as certain aspects of the security of such technologies may be complex, unpredictable or beyond Emles' control. Emles' growing exposure to the public Internet, as well as any reliance on mobile or cloud technology or any failure by third-party service providers to adequately safeguard their systems and prevent cyber-attacks, could disrupt Emles' operations and result in misappropriation, corruption or loss of personal, confidential or proprietary information. In addition, there is a risk that encryption and other protective measures may be circumvented, particularly to the extent that new computing technologies increase the speed and computing power available. Moreover, due to the complexity and interconnectedness of Emles' systems, the process of upgrading existing capabilities, developing new functionalities and expanding coverage into new markets and geographies, including to address Client or regulatory requirements may expose Emles to additional cyber- and information-security risks or system disruptions, for Emles, as well as for Clients who rely upon, or have exposure to, Emles' systems. Although Emles has implemented policies and controls, and takes protective measures, to strengthen its computer systems, processes, software, technology assets and networks to prevent and address potential data breaches, inadvertent disclosures, cyber-attacks and cyber-related fraud, there can be no assurance that any of these measures prove effective. In addition, due to Emles' interconnectivity with third-party vendors, advisers, central agents, exchanges, clearing houses and other financial institutions, Emles may be adversely affected if any of them are subject to a successful cyber-attack or other information security event, including those arising due to the use of mobile technology or a third-party cloud environment. Emles also routinely transmits and receives personal, confidential or proprietary information by email and other electronic means. Emles collaborates with Clients, vendors and other third parties to develop secure transmission capabilities and protect against cyber-attacks. However, Emles cannot ensure that it or such third parties have all appropriate controls in place to protect the confidentiality of such information.

Any information security incident or cyber-attack against Emles or third parties with whom it is connected, or issuers of securities or instruments in which the Client portfolios invests, including any interception, mishandling or misuse of personal, confidential or proprietary information, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of

applicable privacy and other laws, loss of competitive position, regulatory fines and/or sanctions, breach of Client contracts, reputational harm or legal liability. Furthermore, many jurisdictions in which Emles operates have laws and regulations relating to data privacy, cybersecurity and protection of personal information, including the General Data Protection Regulation, which expands data protection rules for individuals within the European Union and for personal data exported outside the European Union. Any determination of a failure to comply with any such laws or regulations could result in fines and/or sanctions against Emles.

Operating Events

Trade errors and other operational mistakes (“Operating Events”) occasionally occur in connection with Emles’ management of funds and Client accounts (“Portfolios”). Emles has policies and procedures that address identification and correction of Operating Events, consistent with applicable standards of care and Client documentation. An Operating Event generally is compensable by Emles to a Client or fund when it is a mistake (whether an action or inaction) in which Emles has, in Emles’ reasonable view, deviated from the applicable investment guidelines or the applicable standard of care in managing a Portfolio, subject to the considerations set forth below.

Operating Events may include, but are not limited to: (i) the placement of orders (either purchases or sales) in excess of the amount of securities intended to trade for a Portfolio; (ii) the purchase (or sale) of a security when it should have been sold (or purchased); (iii) the purchase or sale of a security not intended for the Portfolio; (iv) the purchase or sale of a security contrary to applicable investment guidelines or restrictions; (v) incorrect allocations of trades; (vi) failure to properly file for and/or pay taxes; and (vii) transactions with a non-authorized counterparty. Operating Events can also occur in connection with other activities that are undertaken by Emles and its affiliates, such as net asset value calculation, management fee calculations, calculations of carried interest or incentive fees, trade recording and settlement and other matters that are non-advisory in nature.

Emles makes its determinations regarding Operating Events pursuant to its policies on a case-by-case basis, in its discretion, based on factors it considers reasonable, including regulatory requirements, contractual obligations, and business practices.

When Emles determines that reimbursement by Emles is appropriate, the Client or fund will be compensated as determined in good faith by Emles. Emles will determine the amount to be reimbursed, if any, based on what it considers reasonable guidelines regarding these matters in light of all of the facts and circumstances related to the Operating Event. In general, compensation is expected to be limited to direct and actual losses, which may be calculated relative to comparable conforming investments, market factors and benchmarks and with reference to related transactions and/or other factors Emles considers relevant. Compensation generally will not include any amounts or measures that Emles determines are indirect, consequently, speculative or uncertain.

Item 9: Disciplinary Information

Emles Advisors LLC is obligated to disclose all disciplinary events that would be material to anyone evaluating Emles, whether to initiate a client relationship or to continue a client relationship. Emles does not have any legal, financial, or other disciplinary items to report in response to this time.

Item 10: Other Financial Industry Activities and Affiliations

Emles is not registered as a broker or dealer, nor does it have an application pending to register as a broker or dealer. Certain Emles employees are registered representatives of Foreside Financial Services, LLC which also serves as the distributor to Emles’ funds. Foreside is not an affiliate.

Investment Pools: Emles serves as the investment adviser to various types of proprietary and non-affiliated investment pools including investment companies (open-end mutual funds and ETFs) registered with the SEC under the Investment Company Act, and unregistered investment companies.

Emles is affiliated with Emles Venture Partners LLC (“Emles VP”) and Hammond Beverage Group LLC (“HBG”) through common ownership. Emles VP focuses on venture capital and private equity investing. HBG focuses on the beer distribution and related beverages space. From time-to-time Emles employees may conduct business activities with or on behalf of Emles VP or HBG. Further, certain of these activities may lead to potential Emles-related investment opportunities which will be managed in accordance with applicable rules and regulation and necessary oversight.

Emles’ affiliations may create potential conflicts of interest. Emles seeks to mitigate the potential conflicts of interest to ensure accounts are managed at all times in a Client’s best interests and in accordance with Client investment objectives and guidelines through regular account reviews attended by investment advisory, compliance and senior management staff. Emles also seeks to mitigate potential conflicts of interest through a governance structure and by maintaining policies and procedures that include, but are not limited to, personal trading, custody and trading.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

While the transactions discussed below may present conflicts of interest, Emles manages its Client accounts consistent with applicable law and follows its own policies and procedures that are reasonably designed to treat Clients fairly and to prevent any Client or group of Clients from being systematically favored or disadvantaged.

Emles may from time to time invest Client assets in, or recommend that Clients invest in, investment pools for which Emles and its affiliates provide investment advisory, custodial, administrative, shareholder support and other services and receive fees. Emles may also recommend that Clients invest in unregistered investment pools in which an affiliate serves as general partner, managing member or investment adviser and receives fees or other direct or indirect benefits. Such investments may present a conflict of interest because Emles, an affiliate or a related person has a financial interest in the transaction. Emles maintains policies and procedures which it believes are reasonably designed to address such conflicts.

Emles has adopted a code of ethics that applies to all of its employees describing its high standard of business conduct and fiduciary duty to its Clients. The Code is designed to ensure all employees act with honesty and integrity and comply with federal securities laws. Include any description of whether or not there is preapproval of personal securities transactions.

Employees with access to certain information (as determined by their job position or as so designated by the Chief Compliance Officer) may also be deemed to be “Access Persons.” Each Access Person has specific restrictions, limitations, reporting requirements and other policies and procedures that apply to persons defined as such.

Our Code includes the following:

- Requirements related to confidentiality of Client information.
- Prohibitions on insider trading and tipping (if we are in possession of material, non-public information).
- Prohibitions on the acceptance of gifts and entertainment that exceed our policy standards.

- Requirements and reporting related to gifts and/or business entertainment.
- Pre-clearance of applicable personal securities transactions by “Access Persons.”
- Reporting of personal securities transactions by employees deemed to be “Access Persons.”
- On an annual basis, “Access Persons” must disclose any account in which they have beneficial ownership and disclose all covered securities they own at that time.
- Generally, Emles employees are prohibited from providing or receiving gifts or entertainment that could be considered excessive or inappropriate, or intended to influence a recipient. Emles maintains policies, procedures and controls, which it believes are reasonably designed to ensure such conflicts are addressed. Emles provides advice and makes investment decisions for Client accounts that it believes are consistent with each Client’s stated investment objectives.

From time to time, securities to be sold on behalf of a Client may be suitable for purchase by another Client. In such instances, if Emles determines in good faith that the transaction is in the best interest of each Client, it may arrange for the securities to be crossed between Client accounts at an independently determined fair market value. Cross-trades present conflicts of interest, as there may be an incentive for Emles to favor one Client to the disadvantage of another. Cross-trades are only effected as permitted under applicable law and regulation and consistent with the Client’s guidelines, with any restrictions. Emles does not receive fees or commissions for these transactions. Emles has established certain policies and procedures designed to address conflicts of interest that may arise between its employees and Clients as well as between Clients and Emles or its affiliates. Emles employees must act in the best interests of its Clients and generally do not have knowledge of proprietary trading positions or certain other operations of affiliates.

Emles will develop, or own and operate indices that are based on investment and trading strategies developed by Emles. In addition, Emles may manage accounts that are based on the same, or substantially similar, strategies that are used in the operation of the indices or the affiliated exchange traded funds (“ETF”). The administration of the indices, and the portfolio management of affiliated ETFs and Client accounts in this manner may give rise to potential conflicts of interest. These conflicts of interest may include, but are not limited to, the ETFs engaging in the purchase or sale of securities relating to changes being implemented as part of an index reconstitution, while at the same time the Client accounts engage in similar trading activity due to ongoing portfolio rebalancing. These differences may result in Client account strategies outperforming vis-à-vis the index, the ETF, or vice versa. Other potential conflicts include the potential for unauthorized access to index information, allowing index changes that benefit Emles or other Client accounts and not the investors in the ETFs.

Emles will provide a copy of our code of ethics to any Client or prospective Client upon request.

Item 12: Brokerage Practices

Emles has the discretion to select the broker-dealer for executing transactions for all Clients. Emles uses a variety of broker-dealers for transactions in its funds, selecting brokers for best execution. Selection of approved brokers for execution is based on three main criteria: access to liquidity, provision of capital and quality of execution. Emles effects transactions with those broker-dealers under the obligation to seek best execution.

In order to achieve the best qualitative execution, Emles or the broker-dealers with whom Emles places the order, may adopt one or more trading methods or utilize one or more execution venues to satisfy an order. In selecting a broker-dealer, Emles utilizes its best judgment and in a manner deemed fair and reasonable to Clients.

Emles has established an investment committee to oversee the selection of broker-dealers to an approved list, the allocation of brokerage commissions and to monitor best qualitative execution.

Currently, Emles does not have any relationships in place where it receives products or services through soft dollars. Emles does not select or recommend broker-dealers in return for Client referrals.

Emles has adopted a Trade Allocation Policy designed to ensure that broker transactions are allocated on a fair and equitable basis across all managed accounts. Emles, in its discretion, will attempt to aggregate orders in the same security when it believes will result in an execution that is more favorable, and consistent with Emles policies as well as the Client investment guidelines. Generally, if a batch order is filled in its entirety, it is allocated in accordance with pre-trade allocation. If an aggregated order is partially filled, these securities or other instruments purchased, or the proceeds of any sale are generally allocated pro-rata among the accounts and funds as determined by the pre-trade allocation. There may be circumstances in which other allocation methodologies are used provided they are consistent with the allocation policies.

Item 13: Review of Accounts

Emles' Clients' investments and portfolios are reviewed by Emles investment team on an on-going basis and are reviewed as a matter of practice rather than pursuant to any triggering event. The investment team, consisting of our portfolio managers and research professionals are responsible for such review. Our investment committee also reviews fundamental investment strategies and monitors overall risk.

Item 14: Client Referrals and Other Compensation

Emles does not currently have any active solicitation or referral arrangements in place.

Item 15: Custody

Generally, Emles does not maintain physical custody of Client assets. However, in certain circumstances, Emles will be deemed to have custody of certain Private Funds for which it serves as managing member or general partner. Investors in Emles Private Funds will receive an annual audited financial statement.

Clients should review these financial statements carefully. If Clients do not receive audited financial statements or they do not receive them in a timely manner, they should contact Emles immediately.

Item 16: Investment Discretion

Emles has investment discretion for all Clients. Emles is limited only by the investment restrictions set forth in each fund's documents and those set forth by the general partners of the funds or the directors of the funds (as applicable). The registered funds are managed in accordance with applicable regulatory requirements and the respective prospectus and Statement of Additional Information.

Item 17: Voting Client Securities

Emles recognizes our responsibility to vote proxies in respect of securities owned by a Client in the best interests of our clients and without regard to the interests of Emles. Emles has subscribed to an independent proxy voting service, Glass, Lewis & Co ("Glass Lewis"), to provide proxy analysis, voting, record archiving and reporting.

Although each proxy issue will be considered individually, Emles will generally use Glass Lewis' Voting Guidelines ("Glass Lewis Guidelines") provided, however, that Emles will direct Glass Lewis to vote differently if Emles identifies a reason for not following the Glass Lewis Recommendations. Such guidelines are regularly reviewed by our investment and compliance staff. We may elect not to vote with Glass Lewis guidelines if the investment or compliance staff believes the recommendation is not in the best interests of our Clients. If we identify a material conflict of interest, we will address the conflict by voting with Glass Lewis standard guidelines.

Emles authority to vote proxies or act with respect to other corporate actions is established through the

delegation of discretionary authority under its investment advisory agreements. We will vote all proxies and act on all other actions in a timely manner as part of our full discretionary authority over clients in accordance with established policies and procedures.

A copy of our proxy voting policies and procedures, as well as information about how we have voted proxies, is available upon written request to info@emles.com.

Item 18: Financial Information

Emles has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.